

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, October 23, 1996

STATE RELOCATABLE CLASSROOM PROGRAM AND THE CLASS SIZE REDUCTION PROGRAM

PURPOSE OF REPORT

To develop a policy to support the Class Size Reduction Program in the State Relocatable Classroom Program.

DESCRIPTION

Education Code, Section 17786, states that the legislative intent of the State Relocatable Classroom Program is to satisfy the primary need for classrooms to the greatest extent possible before providing any additional educational facilities, regardless of how desirable such additional facilities may be.

On September 25, 1996, the State Allocation Board (SAB) reserved \$95 million from Proposition 203 funds for the State Relocatable Classroom Program in support of the Class Size Reduction Program. Staff was directed to use these funds in increments of \$25 million. The Office of Public School Construction has requested the Office of Procurement to prepare bid documents for the first \$25 million for approximately 600 relocatable classrooms.

A relocatable classroom provided by the State Relocatable Classroom Program includes an allowance for delivery and installation, furniture and equipment, electrical and fire alarm hook-up, architect fees, inspection fees, and Division of State Architect fees. The total cost for the relocatable classroom including these allowances is approximately \$40,000. The SAB is authorized by the Program law to lease a relocatable classroom for not less than one dollar (\$1) per year, nor more than four thousand dollars (\$4,000) per year, for each portable classroom, which may be annually increased according to the adjustment for inflation set forth in the statewide cost index for classroom construction, as determined by the Board at its January meeting. Currently the lease payment for a relocatable classroom is \$4,000 per year. Relocatable classrooms, leased through the State Relocatable Classroom Program, are excluded from the area of adequate school construction in the determination of eligibility in the Lease-Purchase Program.

The SAB has established eligibility criteria for school districts to receive a relocatable classroom based on priority levels A through E (see Attachment A). The priority levels and the date applications are received determines the order in which projects will be approved and apportioned. The SAB may support class size reduction through Priority C, which enables the school district to obtain a relocatable classroom when the school district certifies that an additional teacher is hired.

Senate Bill 1789 (Greene) established the Class Size Reduction Facilities Funding Program and appropriated \$200 million to the Superintendent of Public Instruction for facility grants. The California Department of Education is responsible for the administration of the Class Size Reduction Program. These funds are to be awarded, in increments of \$25,000, for each eligible teaching station to school districts implementing the Class Size Reduction Program. School districts shall expend this grant solely for the purpose of facilities-related costs associated with the implementation of the Class Size Reduction Program.

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## EXECUTIVE SUMMARY

The State Relocatable Classroom Program as it is currently operated can support class size reduction. The State Relocatable Classroom Program is a relatively simple program including an application process and subsequent acquisition of the relocatable classroom for district use. Any modification to this program to accommodate class size reduction should be minimal in order to maintain simplicity.

## ALTERNATIVES

1. Support the Class Size Reduction Program through the State Relocatable Classroom Program by leasing relocatable classrooms to school districts that identify class size reduction as the purpose of their Priority C application. The OPSC has already requested the Office of Procurement to prepare bid documents for the first \$25 million for approximately 600 relocatable classrooms.
2. Approve applications for relocatable classrooms to be used for class size reduction only to the extent that:
  - a. Funds available for the Class Size Reduction Program at the California Department of Education (\$200 million) have been exhausted. In addition, a school district shall self-certify it did not receive a \$25,000 facility grant from the California Department of Education for this classroom or that the grant was used for facility-related expenses that did not result in a usable classroom.
  - b. Reduce the lease on relocatable classrooms used for class size reduction.
3. Support the Class Size Reduction Program through the State Relocatable Classroom Program by leasing relocatable classrooms to school districts that identify class size reduction as the purpose of their Priority C application. Approve applications for relocatable classrooms to be used for class size reduction only to the extent that funds available for the Class Size Reduction Program at the California Department of Education (\$200 million) have been exhausted. In addition, a school district shall self-certify it did not receive a \$25,000 facility grant from the California Department of Education for this classroom.

## RECOMMENDATION

Adopt Alternative #1.

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## BOARD ACTION

In considering this Item, the Board directed the OPSC to evaluate the feasibility of augmenting the "class size reduction" program that is currently administered by the California Department of Education. The OPSC is to research the following issues with Legal Counsel:

1. Review SB 1789 and evaluate the feasibility of creating a program that will allow for bond funds to be disbursed as a grant in increments of \$25,000 [compliment the California Department of Education's Program].
2. Explore the possibility of transferring funds to the California Department of Education for the purpose of continuing that Agency's "class size reduction" program.
3. Explore other options related to the distribution of funds or the purchase of additional buildings to meet the needs of "class size reduction."

The OPSC was also directed to proceed with the State Relocatable Classroom Program bid opening on November 15, 1996 for the purpose of purchasing approximately 600 buildings.